

German Suffer Enormous Casualties, Is Russian Claim

defeated the Germans, taking several guns and 2,000 prisoners.

Of the German command operating in the region of Cracow, and the advancing from Czenstochowa, there is no news except the Russian statement that "on other parts of the front there have been no substantial changes."

A check of cables of any one of the columns, however, in the opinion of military critics, must affect the whole German plan, which was a formidable movement aiming at the capture of Warsaw and the relief of Cracow. For this purpose large reinforcements were sent from the west, and operations were pushed with great resolution against a determined opposition. It probably will take some days to determine, however, whether the checks have upset this plan.

The Serbian victory over the Austrians appeared confirmed by the occupation of Uzhitz and Valjevo.

The Serbians have regained most of their territory toward the Bosnian frontier, and they also have defeated the Austrians advancing from the north.

VICTORY DUE ENTIRELY TO BRILLIANT LEADERSHIP

Up to December 8 the Serbians had captured about 55,000 prisoners, 115 guns of all kinds and great quantities of war material. The Serbians claim victory was due entirely to brilliant leadership and the morale of their troops, most of whom were veterans fighting in their third war. These "French" officers, however, and the numbers the Austrians had on their side.

In the west, both the French and the Germans claim they have made progress in the Argonne region and in Flanders. It is evident the Germans, in an effort to stop the allies' advance in Flanders, attempted an offensive in the vicinity of Ypres, and took one trench from the French. The latest French official communication says this trench was recaptured. Elsewhere along the front, there have been artillery duels with occasional infantry attacks by first one side and then the other.

Vice-Admiral Sturdee reports to the admiralty that the British suffered a remarkably small loss in the naval engagement off the Falkland Islands. Only seven men were killed and four wounded, according to his report.

This indicates, officials believe, that the Germans were completely out-ranged, and possibly not more than one shot reached the British ships.

Winston Spencer Churchill, First Lord of the Admiralty, replying to a cablegram of congratulations from Japan, regarding the naval victory, shows that Japanese and Australian ships are co-operating in the Pacific. The cablegram states that the Japanese von Spee completes the expulsion of Germans from the East.

GERMANS ARE ACTIVE IN YPRES VICINITY

PARIS, December 11 (2:41 P. M.).—The official statement given out in Paris this afternoon says that the enemy yesterday was active in the vicinity of Ypres. Three of his attacks were repulsed, but the French trenches were reached by the forces of Emperor William. Nevertheless, French troops continue to make progress in the direction of the enemy's lines, according to the official report.

Artillery engagements are reported in the region of Arras and in the Vosges, as well as in the vicinity of Ypres and on the heights of the Maubeuge. In the latter, the French advanced several of their trenches.

FRENCH REPULSED IS GERMAN CLAIM

BERLIN, December 11 (by wire) to London, 3:05 P. M.).—In the official communication issued to-day by the German army headquarters staff, the Germans claim to have made progress

on both sides of the Argonne forest and in Flanders, and to have repulsed French attacks in the Woerthe region.

MARKED IMPROVEMENT IN KAISER'S CONDITION

LONDON, December 11 (7:05 P. M.).—A dispatch to the Evening News from The Hague says:

"According to information reaching here through private sources, Emperor William's condition to-day showed marked improvement. His temperature this morning was normal. His physicians allowed him to sit up for a few hours."

OPERATIONS IN CARPATHIANS SATISFACTORY TO AUSTRIANS

AMSTERDAM, December 11 (via London, 10:25 P. M.).—The following Austrian official statement has been received from Vienna:

"Operations in the Carpathians are progressing according to our plan. The enemy yesterday fought mainly rearguard actions, which were repulsed."

"In Galicia there is no decision. Przemyśl is only surrounded by the enemy, and is not being attacked. The garrison makes daily sorties, which keep the enemy at a respectful distance from the fortress zone."

"In the region of Poland yesterday along our front."

VIOLENT GERMAN ATTACK REPULSED BY FRENCH

PARIS, December 11 (10:40 P. M.).—The French official communication issued to-night says:

"In the region of Ypres a very violent German attack has been repulsed. The enemy yesterday fought mainly rearguard actions, which were repulsed."

NO NEW EVENTS IN SOUTHERN WAR THEATRE

VIENNA, December 11 (via London, 8:11 P. M.).—The following official statement was issued by the Austrian army headquarters to-day:

"No new material events have occurred in the southern war theatre (Serbia). The regrouping of the troops generally is progressing without heavy battles."

COUTINHO UNDERTAKES FORMATION OF NEW CABINET

PARIS, December 11 (7:16 P. M.).—A Havas dispatch from Lisbon says that Victor Coutinho, president of the Chamber of Deputies, has undertaken the formation of a new Cabinet in place of the ministry which resigned on December 5.

STATES-GENERAL ADOPTS DUTCH GOVERNMENT LOAN

LONDON, December 11 (7:18 P. M.).—Reuter's cable from The Hague says the Dutch government's proposal for an emergency loan of 250,000,000 florins (\$100,000,000) was adopted to-day by the second chamber of the States-General.

AMERICAN STEAMER DETAINED AT PALMOUTH

LONDON, December 11 (8:50 P. M.).—The American steamer George Hawley, which left New York November 15 for Copenhagen, and reached Poughkeepsie November 30, is among the vessels whose cargoes, or part of them, have been seized by the Danish government, according to the London Gazette.

The George Hawley is recorded in shipping registers as belonging to the Boston and Virginia Transportation Company.

INVALUABLE NAVAL ASSISTANCE OF JAPAN

LONDON, December 11 (8:55 P. M.).—Replying to the congratulations on the victory of the British squadron over the Germans off the Falkland Islands, Winston Spencer Churchill, First Lord of the Admiralty, to-day eulogized the Japanese Minister of Marine as follows:

"With the sinking of the Scharnhorst, Gneisenau, Leipzig and Nürnberg, which left New York November 15 for Copenhagen, and reached Poughkeepsie November 30, is among the vessels whose cargoes, or part of them, have been seized by the Danish government, according to the London Gazette."

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PROTECTED FROM FIRE IN HILLSIDE CAVERNS

Men, Horses and Supplies of German Armies Occupy Former Stone Quarries.

ONLY 200 YARDS FROM ENEMY

Soldiers smiling and well fed—No indication that nerves are breaking under strain—Health conditions remarkably good.

HEADQUARTERS OF A CERTAIN GERMAN ARMY IN FRANCE, December 11 (forwarded by automobile courier to Berlin, thence to London, 4:11 A. M.).—A correspondent of the Associated Press from the front lines has been the guest of General von Heeringen, formerly War Minister, and now commanding the Seventh Army; General von Zuehl, the capturer of Maubeuge; and General von Bismarck, conqueror of Liege and Namur.

Several hours were spent in the trenches in a picturesque old town where German riflemen and French legionnaires play grim practical jokes of war upon each other from positions a scant 200 yards apart. Men, horses, supplies and hospitals were housed in hillside caverns, formerly stone quarries, absolutely protected from even the most powerful shell fire.

The morning was passed in an artillery observation stand opposite Rheims, where a German telescope and a German gun, through which the fire of an artillery is directed, brought the observer within 100 yards of the city and the cathedral, and enabled him to see the cathedral and the city from a standing fairly intact, although blackened by fire.

SOLDIERS FOUND LIVING IN COMPARATIVE COMFORT

Inspection was made of a labyrinth of field fortification approaches along the line at its nearest point to the front where the lines are normally 200 or 300 yards apart. The soldiers, even in the foremost trenches, were found living in comparative comfort. They are well supplied with food, water and clothing, and are in good spirits. Desultory infantry fire is always in progress here, and occasionally the rattle of machine guns breaks out. The artillery on both sides has thrown down iron daily, but there have been no great fights of late hereabouts.

Of all the impressions of the trip, one of the most striking is the fact that the German soldier at the front is not a starving, shivering, and shivering man, but a well-fed, well-clothed, and well-armed man. The lean greyhounds seen after the dash on Paris are again rounding out to portly Germans.

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GERMANY ADMITS RECENT LOSS IN SOUTH ATLANTIC

London Confidential That the Dresden, Sole Remaining Unit of Squadron, Is Accounted For.

LATEST REPORT FROM STURDEE

None of British Ships Injured; Seven Men Killed and Four Wounded. Tendon Casualties Will Reach Approximately 8,000.

[Special Cable to The Times-Dispatch.] LONDON, December 11.—Berlin is ready to concede the loss of the Dresden, the sole remaining unit of the German squadron destroyed by Vice-Admiral Sir Frederick Sturdee off the Falkland Islands, in the South Atlantic, last Tuesday.

The Imperial Press Bureau, from which emanates all official information given for publication, in a statement issued apparently before the destruction of the Nurnberg became known there, says, after recording the sinking of the Scharnhorst, Gneisenau and Leipzig and the escape of the Nurnberg and Dresden in the main engagement:

"In view of the superiority of the enemy's fleet, which consists particularly of big steel-armed ships, there seems little chance that our cruisers can long evade pursuit. We must, therefore, also reckon with the loss of both these ships."

London also is confident that the Dresden has been accounted for, but the official announcement is awaited with great patience, as is also the announcement by the British admiralty of the composition of the British fleet which won this signal victory.

Admiral Sturdee's latest command was the second cruiser squadron at sea, including the Scharnhorst, Gneisenau, Cochrane and Natal, with a number of light cruisers, a torpedo flotilla, colliers and transports.

These three last named were sister ships, laid down in 1903 and 1904, of 15,600 tons, an average speed of 23.5 knots, and carrying six 9.2-inch guns, four 5.7s, and four three-pounders. The Scharnhorst is a cruiser of 14,600 tons displacement. Her speed is 24.2 knots, and her armament consists of the same type of guns, but more numerous. Each ship carried

ADMIRAL STURDEE'S MOST RECENT COMMAND

In view of the admiralty's stringent policy with relation to revealing the whereabouts of the units of the fleet now on the sea, it is only permissible to say that the Admiral Sturdee's most recent command.

Reference to the press bureau of the admiralty of the report repeated here from Buenos Aires that the British fleet lost three ships in the encounter with Admiral von Spee's squadron caused a reiteration of the official statement quoting Admiral Sturdee to the effect that none of the British ships had been lost. The press bureau added that the revised reports of the casualties on the British ships during the engagement showed seven men had been killed and four wounded. No officers were reported among the officers.

The Buenos Ayres dispatch quotes private German sources as admitting that the German losses would reach 3,000.

According to the same sources, the Dresden was sunk eight hours after the sinking of the Nurnberg. There is no official confirmation of this, nor of the statement that a Japanese squadron acted with the British fleet, trapping the Germans between the two squadrons and forcing them to scatter.

The inaccuracy of this information is betrayed by the passage in the dispatch which states that a number of British wounded have been taken to Montevideo. This does not square with the statement that the British were but four men wounded. These naturally would be attended in the sick bay of the ships to which they are attached.

EXPECTED TO ACCOUNT FOR THE KARLSRUHE

Admiral Sturdee's fleet is looked to now to account for the German raider Karlsruhe, still at large, and fast building for itself a reputation second only to that of the Emden. With the Dresden will then devote its full strength to sweeping the South Atlantic in search of this indefatigable destroyer of commerce. The Kronprinz Wilhelm, the German commerce raider, also holding a roving commission, also holds to be in South Atlantic waters, and on the Pacific side, the Prince Eitel Frederick still is at large.

Japanese cruisers even now are in pursuit of the Eitel off the coast of Chile, according to dispatches from Tokyo to-day. The Prince Eitel is the converted North German Lloyd steamship which recently sank the British steamship Chacabuco off Port Corral, Chile.

England confidently believes Admiral Sturdee will have cleared the seas of these commerce raiders by the first of the year.

Indeed, they already are reported to be seriously hampered by the loss of their supply ships and other auxiliaries as to the location and time of the destruction of these supply auxiliaries are lacking, as also is official confirmation of the report.

YOU can't tell much about the kind of an injine a automobile has by th' way th' varnish shines. An' some fine dressed folks ain't got much of a mental magneto.

WANTS DEMOCRATS TO AVOID NECESSITY FOR AN EXTRA SESSION.

WASHINGTON, December 11.—How far Federal Reserve banks shall go in exercising the function of clearing house associations was discussed to-day by the governors of the banks and the Federal Reserve Board.

It was decided that the present reserve banks shall only clear checks of member banks in their particular districts. The question of clearance for outside banks was turned over to committees which will report next month. The board has power to direct clearances outside any district.

KERN CALLS CAUCUS

WASHINGTON, December 11.—Senator Kern to-day called a caucus of Democratic Senators for to-morrow afternoon to discuss the legislative program. The aim is to so frame the program that there may be no necessity for an extra session after March 4 next.

President Wilson has told administration leaders that he wishes the work of the Sixty-third Congress completed when March 4 arrives, and leaders in their intention to avert another extra session.

SERVIANS REINFORCED BY RUSSIAN REGIMENTS

AMSTERDAM (via London), December 11 (midnight).—The Frankfurter Zeitung reports that the Serbians have been reinforced by five Russian Regiments which left Archangel October 27 and arrived at Antivari, November 29.

DREADNOUGHTS REMAIN BACKBONE OF THE NAVY

Officials Not Swayed From Belief by Success of Submarines in Present War.

DANIELS SUBMITS REPORT

His Building Program Follows Policy of General Board's Recommendations, but Reduces Number of Ships of Each Class Asked For.

WASHINGTON, December 11.—Startling successes of submarines in the European war have not swayed United States Navy officials from their belief that all big-gun battleships of the Dreadnought type form the main dependence of any sea power. The construction of two such ships next year was recommended by Secretary Daniels in his annual report, submitted to-day to President Wilson. The Navy General Board urged the building of four.

The complete building program for the coming year, recommended by Secretary Daniels, consists of:

Two Dreadnoughts, six destroyers, eight or more submarines, one to be a large, sea-going craft and the others of smaller size for coast defense operations, one gunboat and one fuel oil ship.

If this program is followed out, Mr. Daniels says, "the increase will be noteworthy and give us a well-balanced fleet, if not superior to that of any navy in the world, ship for ship and man for man."

REDUCES NUMBER OF SHIPS IN EACH CLASS

Secretary Daniels' program, he states, follows the policy of the general board recommendations, but reduces the number of ships of each class asked for. The board recommended the construction of the following as the 1915 program:

Four Dreadnoughts, sixteen destroyers, three sea-going submarines, sixteen coast-defense submarines, four scout cruisers, four gunboats, two fuel oil ships, one destroyer tender, one submarine tender, one navy transport, one hospital ship, one supply ship and a \$5,000,000 appropriation for navy aircraft. The board was acting on its policy looking to the completion in 1919 of a fleet, the main line of which would be forty-eight battleships. In its report, transmitted to the secretary, it is stated that the present situation of the battleship fleet is such that the construction of the total of those in commission, under construction and authorized for completion in 1919 being thirty-seven.

Submarines come in for extended mention in the report. The secretary and the general board, Mr. Daniels says, "have strengthened faith in the efficacy of the submarine. The department therefore, the construction of an increased number of submarines and the larger utilization of this weapon of warfare, which has demonstrated its effectiveness."

"The department feels that it is upon safe ground in looking to the board to prescribe the character of the ships to be constructed. The large increase in the number of submarines, but nothing in the present war has disproved their faith in the modern Dreadnought. The fact that there has been no encounter between these powerful ships does not justify the conclusion that their further construction should be discarded in favor of the smaller craft, which has astonished the world by its ability to sink cruisers and other craft, giving its severest and most fatal blows before its presence is discovered. It may be that naval engagements later on will teach lessons that will change expert opinion, but as long as the bulk of the ablest naval officer believe the increase of the navy should embrace, in fair proportion, the Dreadnought, the destroyer and the submarine, the secretary would not feel warranted in recommending a widely different program of construction."

"However, in view of the demonstrated power of the submarine, I would impress upon Congress the importance of making a larger increase in the submarine craft, appropriating generously therefor without reducing the appropriations for other craft. The estimates for these were reduced to the minimum."

BUILDING OF SUBMARINES NOT NEGLECTED BY NAVY

"That our policy has acquiesced in the construction of submarines will be seen by a comparison of our strength in this craft with that of foreign navies. It is roughly estimated that there are built or building for the various navies the following number of submarines: England, 84; France, 76; United States, 51; Germany, 81; Japan, 17. This estimate was made in July of this year."

"When the relative sizes of the fleets of the great nations enumerated above are considered, it will be seen that the United States has a submarine flotilla relatively and actually smaller than England's fleet is and more than twice as great as ours, yet she has but little more than half as many more submarines. It is a considerable larger submarine fleet than ours, with a smaller navy, but she has in the past taken the lead in submarine building. Some years ago she abandoned the Dreadnought type for the acquisition of large numbers of submarines, but in the last two or three years has made unusual exertions to repair her deficiency in Dreadnoughts. England has overcome this and now has a fleet of submarines having, in addition to the fifty-one ships already mentioned, eight or more authorized by last year's bill, on which work will shortly commence, and we are asking for eight or more this year, which will swell our total to at least sixty-seven in the next three years. Germany, with a larger fleet than ours, has less submarines, and Japan, with a fleet smaller than ours, has more strength, only half as many submarines."

"What we have done, however, in submarine construction is but an indication of what must be done in the future. When we shall have a division of sea-going submarines in commission, we will have added to the battleship a strong fighting unit which must be of large importance in any overseas operations."

SUBMARINES ON PAR WITH ANY IN WORLD

"As far as the submarines themselves are concerned, it is believed that ours are on a par with any in the world. In the appropriation made by the last Congress, two types for the first time were included—one of the first time were included—one of high surface speed, to accompany the fleet, and one for coast, and harbor defense. In the building of two such distinct types, we are in accord with foreign countries are doing, and submarine flotilla, which will probably be composed of vessels of these two types."

Of aviation, the secretary says: "Aircraft have demonstrated in the present war in Europe that the military arm is complete which lacks them. They will not replace vessels of war, but will extend the field of operation to the air, as well as on the surface of and underneath the water. They provide the best means for discovering submarine mines, and have now become an indispensable part of the navy."

"We are in the infancy of aircraft. The development in the manufacture of these craft in this country needs to be stimulated, and the success of the war will be a mighty stimulus to American manufacturers."

"Orders were given early in the year for some foreign-built aeroplanes, in addition to larger orders for aeroplanes made in this country. Unfortunately, the war made it impossible for the orders placed abroad to be filled, and the trial of such craft must be postponed. The best types of aeroplanes manufactured have been ordered. And the department will develop this modern branch of the naval service steadily and rapidly."

The general board does not take the same view. Its report refers to its recommendations in 1913, which "brought to the attention of the department the dangerous situation of the country in the lack of aircraft and airmen in both the naval and military services. At the present time the total number of aircraft in the navy is 12, and by the navy consists of twelve aeroplanes, not more than two of which are of the same type, and all reported to have too little speed and carry capacity for service work."

"In our present condition of unpreparedness, in contact with any foe possessing a proper air service, our scouting would be blind. We would be without the means of detecting the presence of submarines or mine fields of attempting direct attack on the enemy from the air, while our own movements would be an open book to the enemy. It is therefore, most strongly urged that the department's most serious thought be given to this matter, and the Coast and Air Force be provided for an appropriation of at least \$1,000,000 for the purpose of establishing an adequate air force."

"Financial conditions resulting from the European war have caused the department to refrain from asking this matter, and the Coast and Air Force Secretary Daniels states, but says a plan will be presented to Congress next session for an appropriation of at least \$1,000,000 for the purpose of establishing an adequate air force."

"The general board lays great stress on the question of personnel. It cannot too strongly urge the repeated recommendations to provide the fleet with a sufficient number of trained personnel, equal to the manning of the fleet for war. In the opinion of the general board, this is a matter of even greater importance than the construction of ships, for it cannot be too often repeated that ships without a trained crew are of no use. The general board recommends legislation for an active personnel, officers and enlisted force, capable of keeping in full commission all battleships under construction, and of manning the fleet, all destroyers and submarines under twelve years of age from active personnel, and the necessary auxiliaries that go with the active fleet, and of furnishing nucleus crews for all ships in the navy that would be used in time of war, and the necessary men for the training and other work of the navy."

Secretary Daniels again urges that the grades of admiral and vice-admiral be restored, and that they should be space to the occupation of Vera Cruz by United States naval forces pays for an active personnel, officers and enlisted force, capable of keeping in full commission all battleships under construction, and of manning the fleet, all destroyers and submarines under twelve years of age from active personnel, and the necessary auxiliaries that go with the active fleet, and of furnishing nucleus crews for all ships in the navy that would be used in time of war, and the necessary men for the training and other work of the navy."

The report discusses at length many of the subjects which the department has been engaged in, and the manufacture of powder, investigation of the cost of armor plate manufacture, construction details of new ships, the anti-mine mine order promulgated this year, the educational work for enlisted men for which the secretary expresses great enthusiasm and reports pleasing results, and the work of the relations of the navy with the German navy, still in European waters watching over American interests. In conclusion Secretary Daniels says:

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GERMANY ADMITS RECENT LOSS IN SOUTH ATLANTIC